

IN THE SUPREME COURT OF TENNESSEE  
SPECIAL WORKERS' COMPENSATION APPEALS PANEL  
AT JACKSON  
March 24, 2008 Session

**SHERRY A. HUBBLE ET AL. v. DYER NURSING HOME**

**Direct Appeal from the Chancery Court for Gibson County  
No. 15613 George R. Ellis, Chancellor**

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**No. W2007-00627-WC-R3-WC - Mailed August 5, 2008; Filed September 9, 2008**

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This workers' compensation appeal has been referred to the Special Workers' Compensation Appeals Panel of the Supreme Court in accordance with Tennessee Code Annotated section 50-6-225(e)(3) (Supp. 2007) for a hearing and a report of findings of fact and conclusions of law. In a previous appeal, the Supreme Court of Tennessee affirmed an order requiring the employer to reimburse a third-party insurer for payments made for medical care. The judgment was paid. The insurer sought post-judgment interest on the amount, and the trial court awarded that interest. The employer has appealed, arguing that the trial court erred by awarding post-judgment interest for medical expenses. We agree and reverse the judgment.

**Tenn. Code Ann. § 50-6-225(e) (Supp. 2007) Appeal as of Right;  
Judgment of the Chancery Court Reversed**

DONALD P. HARRIS, SR. J., delivered the opinion of the court, in which JANICE M. HOLDER, J., and ALLEN W. WALLACE, SR. J., joined.

John D. Bursleson, Michael L. Mansfield, and Todd D. Siroky, Jackson, Tennessee, for the appellant, Dyer Nursing Home.

John S. Little, Jackson, Tennessee, for the appellee, State Farm Insurance Company

**MEMORANDUM OPINION**

**FACTUAL AND PROCEDURAL BACKGROUND**

This case was the subject of a previous appeal, Hubble v. Dyer Nursing Home, 188 S.W.3d 525 (Tenn. 2006). The employee, Sherry Hubble, was injured in an automobile accident while traveling to an orientation session at the direction of her employer, Dyer Nursing Home ("Dyer"). Dyer contested compensability, and State Farm, the insurer of the driver of the vehicle in which Ms. Hubble was riding, paid \$100,000 for Ms. Hubble's medical treatment arising from the injury. In Ms. Hubble's workers' compensation action, the trial court concluded that Ms. Hubble's injury was

compensable and ordered Dyer to reimburse State Farm for the medical expenses paid. The Supreme Court affirmed the trial court's judgment. Id. at 537.

After Dyer paid the amount owed, State Farm filed a motion requesting that the trial court award post-judgment interest. The motion referenced Tennessee Code Annotated section 47-14-122 (2001), the statute applicable to civil judgments generally, and Tennessee Code Annotated section 50-6-225(g) (Supp. 2007), which is applicable to workers' compensation cases. The trial court granted the motion, awarding post-judgment interest in the amount of \$12,690.00. Dyer has appealed, contending that the trial court erred by awarding post-judgment interest on the award of medical expenses to State Farm.

### ANALYSIS

This appeal presents a question of law only. A trial court's conclusions of law are reviewed de novo upon the record with no presumption of correctness. Perrin v. Gaylord Entm't Co., 120 S.W.3d 823, 826 (Tenn. 2003); Ganzevoort v. Russell, 949 S.W.2d 293, 296 (Tenn. 1997).

State Farm contends that the trial court's award of post-judgment interest is supported by Tennessee Code Annotated section 47-14-122. That section provides that "[i]nterest shall be computed on every judgment from the day on which the jury or the court, sitting without a jury, returned the verdict without regard to a motion for new trial." Tenn. Code Ann. § 47-14-122. Although this statute uses broad language and is applicable in a wide range of cases, the Supreme Court has held that statutes governing the computation of interest in civil cases generally are not applicable in workers' compensation cases. Woodall v. Hamlett, 872 S.W.2d 677, 679 (Tenn.1994). The Court held that the calculation of workers' compensation benefits is governed entirely by the Workers' Compensation Law and that the interest on workers' compensation judgments must be calculated in accordance with Tennessee Code Annotated section 50-6-225. Id. at 678-79; see also Eddlemon v. Tecumseh Prods. Co., 101 S.W.3d 57, 59 (Tenn. Workers' Comp. Panel 1999). Accordingly, there is no merit to State Farm's claim that it is entitled to post-judgment interest pursuant to Tennessee Code Annotated section 47-14-122.

In the alternative, State Farm asserts that it is entitled to the interest it claims under the relevant section of the workers' compensation statute, Tennessee Code Annotated section 50-6-225(g). The statute provides in pertinent part:

- (1) If the judgment or decree of a court is appealed pursuant to subsection (e), interest on the judgment or decree shall be computed from the date that the judgment or decree is entered by the trial court at an annual rate of interest five (5) percentage points above the average prime loan rate for the most recent week for which such an average rate has been published by the board of governors of the federal reserve system on the total judgment awarded by the supreme court. . . .
- (2) Total judgment awarded is computed by the total number of weeks multiplied by the benefit rate without any reduction.

Dyer argues that the plain language of the statute provides that interest may accrue only on an award of disability benefits and not on awards of medical benefits. In support of this argument, Dyer cites to West American Insurance Co. v. Montgomery, 861 S.W.2d 230 (Tenn. 1993). In that case, the trial court ordered the employer to pay the employee's medical expenses by forwarding payment directly to the medical providers. After the employer unsuccessfully appealed the trial court's ruling, the employee sought post-judgment interest on the disability award and the medical expenses. The Supreme Court held that the employee could not recover interest on medical expenses because the employee was not personally entitled to receive payment for the medical expenses. Montgomery, 861 S.W.2d at 231. In addition, the Supreme Court observed that the method for calculation of the total judgment amount does not provide for the inclusion of medical expenses but is limited to "the total number of weeks multiplied by the benefit rate." Id.

In Staggs v. National Health Corp., 924 S.W.2d 79 (Tenn. 1996), the Supreme Court again addressed an employee's claim that she was entitled to post-judgment interest accrued on medical expenses. The Supreme Court applied Montgomery and held that "an employee may not collect interest unless and until the employee becomes entitled to receive the money on which interest is sought to be imposed." Staggs, 924 S.W.2d at 81. Accordingly, the Court determined that the employee could not recover interest accrued on medical expenses that she had not paid initially.

This case is distinguishable from Montgomery and Staggs because State Farm, as the party who had initially paid Ms. Hubbell's medical bills, was entitled to receive reimbursement of the medical expenses at the time the judgment was entered and was deprived of the use of those funds while the appeal was pending. Therefore, State Farm's argument has great appeal, and it seems equitable that the trial judge in this case awarded post-judgment interest. The relevant statute provides, however, that interest is computed "on the total judgment awarded" and that the "[t]otal judgment awarded is computed by the total number of weeks multiplied by the benefit rate without any reduction." Tenn. Code Ann. § 50-6-225(g). As the Supreme Court noted in Montgomery, this computation is not designed to include medical benefits. 861 S.W.2d at 231. Furthermore, the Tennessee Supreme Court has stated that "the benefits conferred by our Workers' Compensation Act are purely statutory, and the circumstances under which they are paid and the manner in which they are calculated depends solely upon statutory authority." Woodall, 872 S.W.2d at 679. If the General Assembly intended for insurers to be able to recover post-judgment interest on awards reimbursing the insurer for medical expenses paid, we presume it would have provided for such a recovery in the statute. We must, therefore, conclude that the trial court erred in awarding post-judgment interest here.

## CONCLUSION

The judgment is reversed, and State Farm's claim for post-judgment interest is dismissed. Costs are taxed to appellee State Farm Insurance Company, for which execution may issue if necessary.

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DONALD P. HARRIS, SENIOR JUDGE

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**JUDGMENT ORDER**

This case is before the Court upon the entire record, including the order of referral to the Special Workers' Compensation Appeals Panel, and the Panel's Memorandum Opinion setting forth its findings of fact and conclusions of law, which are incorporated herein by reference;

Whereupon, it appears to the Court that the Memorandum Opinion of the Panel should be accepted and approved; and

It is, therefore, ordered that the Panel's findings of fact and conclusions of law are adopted and affirmed, and the decision of the Panel is made the judgment of the Court.

Costs on appeal are taxed to the Appellee, State Farm Insurance Company, for which execution may issue if necessary.

IT IS SO ORDERED.

PER CURIAM